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TESTIMONY

Assistant Secretary Jon R. Thomas
Bureau of International Narcotics Matters
Department of State

to

Task Force on International Narcotics Control
Committee on Foreign Affairs
House of Representatives
March 11, 1986

Dept. of State, RPS/IPS, Margaret P. Grief, Dir.
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Date 2/22/02 Exemption _____

Mr. Chairman:

We are pleased to participate this afternoon in the Committee's inquiry into the role of the Sandinista Government of Nicaragua in narcotics trafficking.

We believe that Nicaragua has become a transshipment point for South American cocaine destined for consumers in the United States. Moreover, there is evidence suggesting that members of the Sandinista government have not only condoned but have actively participated in narcotics trafficking activities.

Any such activity within Nicaragua, and any such participation by members of the Government, must be strongly criticized by the international community.

The Government of Nicaragua's control of overt sources of information, together with the Sandinista regime's unwillingness to cooperate with the United States on this issue, make it difficult to present a comprehensive account of narcotics-related activity in Nicaragua. The political situation has eliminated bilateral cooperation on narcotics control and made it almost impossible to gather accurate information on a continuing basis. Moreover, Sandinista officials have denied all allegations of involvement in narcotics trafficking.

However, we believe that at least one of the most influential members of the Sandinista National Liberation Front, which controls the government, is directly and personally involved in drug trafficking, and, through him, numerous other officials. That individual is Interior Minister Tomas Borge, whose responsibilities include control of the state security and other police forces and "maintenance of internal order."

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A former official of the Interior Ministry has stated publicly that Minister Borge has been actively involved in smuggling cocaine from Colombia to the United States. The information we have received is that Borge, working through a ministry-controlled company set up to earn foreign exchange, has provided Colombian traffickers with airplanes, refueling and transshipment facilities in Nicaragua. The statements of the former ministry official indicate the possible involvement of other leading members of the ruling Sandinista Front.

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In one well-noted incident, photographs were taken during an undercover operation which show Nicaraguan government officials loading boxes, described as being filled with cocaine, into a small aircraft parked on the military side of Managua airport. This incident implicated another Nicaraguan, Frederico Vaughan, who is said to have close ties to Borge. Some Nicaraguans believe that the presence of the airplane in a controlled military zone also implicates Defense Minister Humberto Ortega in narcotics trafficking activities.

There is also some evidence of narcotics-related corruption beyond that involving Minister Borge and his associates. Although the Sandinista police have a specially-trained unit with responsibilities for drug and vice enforcement, the information from the former Interior Ministry official is that known criminals, including drug offenders, have been incorporated into the ranks of the Sandinista police, several at the rank of lieutenant, and that these criminals head sections within the police agency. These officials have allegedly continued to engage in drug-related criminal activity.

The information we have received indicates a particularly disturbing pattern of officially sanctioned drug crimes. The information is that these corrupt officials either consume the marijuana and other drugs confiscated by police or sell them. Some of the confiscated drugs are sent to the state security agency where they are consumed by officials or used in operational activities, including being planted on persons whom the security agency seeks to compromise. In addition, the information we have received indicates that the Sandinista police operate a network of informants who have a dual function: to inform the police about persons who use or deal in drugs, and, to resell drugs confiscated by police.

Drug arrests appear to be few, with only small amounts of drugs officially reported as seized. The value of the marijuana seized in one bust, which the Sandinistas called the breakup of a major trafficking ring, was only \$50.

In conclusion, we have strongly expressed our concerns over involvement of Sandinista officials in cocaine smuggling. We are watching the situation closely and I would be pleased to provide any additional information to this Task Force if it becomes available.

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STATEMENT OF JOSE ALVARO BALDIZON AVILES
BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE'S
TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL

March 11, 1986

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MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I BECAME SUSPICIOUS OF OFFICIAL INVOLVEMENT OF THE
GOVERNMENT OF NICARAGUA IN NARCOTICS TRAFFICKING IN 1982.
BACKGROUND TO THIS WAS THE FOLLOWING:

THE MINISTER ISSUED AN ORDER THAT ALL COCAINE, DOLLARS
AND GOLD HAD TO BE TURNED IN TO HIS OFFICE.

IT WAS OBVIOUS THAT THE CONFISCATED NARCOTICS, GOLD AND
DOLLARS WERE BEING SENT TO PLACES NOT PROVIDED FOR BY LAW AND
THOSE INVOLVED WERE BEING SET FREE.

AFTERWARDS, IN THE FIRST MONTH OF 1983, THE POLICE
ARRESTED JACQUELINE LYONS PASTORA WITH FOUR OUNCES OF COCAINE.
SHE WAS DETAINED FOR EIGHT HOURS. THE COCAINE WAS SENT TO THE
OFFICE OF MINISTER. SHE MADE A STATEMENT OF THREE PAGES IN
WHICH SHE SAID SHE WORKED FOR THE GOVERNMENT AND THIS WAS WHY
SHE HAD COCAINE. SHE NAMED SEVERAL HIGH OFFICIALS OF THE
GOVERNMENT AS COLLABORATORS IN DRUG TRAFFICKING.

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I OBTAINED A COPY OF THIS DECLARATION. DESPITE HER CONFESSION, AND THE NAMING OF OTHER PERSONS, MINISTER BORGE ORDERED HER TO BE FREED. WITH THIS STATEMENT, I STARTED AN INVESTIGATION ON MY OWN INITIATIVE, WHICH WAS NAMED "RAINBOW CASE".

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AT THE CONCLUSION OF THE INVESTIGATION WE ESTABLISHED THAT HIGH GOVERNMENT OFFICIALS WERE INVOLVED IN COCAINE TRAFFICKING TO MIAMI IN THE PLANES OF AERONICA.

THE RESULTS OF THE INVESTIGATION WERE SUBMITTED TO BORGE, WITH ALL THE STATEMENTS AND INVESTIGATION RESULTS. HE KEPT THE ENTIRE FILE, MERELY SENDING ME A NOTE WHERE HE REPRIMANDED ME FOR HAVING BEGUN AN INVESTIGATION WITHOUT HIM INSTRUCTING ME TO DO SO.

IN THE SAME NOTE, HE GAVE ME ORDERS THAT, IN THE FUTURE, ANY INFORMATION RECEIVED ON COCAINE WAS NOT TO BE INVESTIGATED BY US, BUT SENT DIRECTLY TO HIM.

IN LATE 1983, DURING AN INSPECTION OF POLICE UNIT V, I WAS ABLE TO SEE A PROCEDURAL FILE CONCERNING A COCAINE TRAFFICKER. HE HAD BEEN FOUND CARRYING A FEW OUNCES OF COCAINE, AND HIS DOSSIER CONTAINED A RECEIPT FOR THE COCAINE SEIZED, THE LABORATORY TESTS FROM THE MINISTRY OF HEALTH, AND, TOWARDS THE BACK OF THE FILE I FOUND A NOTE STATING THAT THE COCAINE HAD BEEN SENT TO MINISTER BORGE'S OFFICE, AND THAT BORGE HAD GIVEN ORDER FOR HIS IMMEDIATE RELEASE.

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IN MID-1984, I VISITED THE COURTS OF MANAGUA, MEETING WITH JUDGE YOLANDA HUEMBES AND THE SUPREME COURT MAGISTRATE, MARTHA LACAYO. THE TWO JUDGES VOICED THEIR CONCERN OVER THE FACT THAT SINCE 1981, NO COCAINE CASES HAD BEEN BROUGHT BEFORE THE COURTS. AND THOSE CHARGED OF ILLEGAL TRAFFICKING OF FOREIGN CURRENCIES AND PRECIOUS METALS WERE BEING RELEASED FROM JAIL DUE TO A LACK OF EVIDENCE. I SUBMITTED A REPORT ON THIS CONVERSATION TO THE MINISTER WITHOUT OBTAINING ANY REPLY.

ALL OF THESE EVENTS GAVE ME GROUNDS TO BELIEVE THAT THE GOVERNMENT OF NICARAGUA WAS INVOLVED IN DRUG TRAFFICKING BUT, THESE WERE ONLY ASSUMPTIONS ON MY PART AT THIS TIME.

IN MID-1984, I RECEIVED AT MY OFFICE AN INVESTIGATION ORDER FROM THE MINISTER OF INTERIOR, WHICH WAS DELIVERED TO ME BY CAPTAIN CHARLOTTE BALTODANO ALONG WITH OTHER INFORMATION IN THE SENSE THAT SECOND LIEUTENANT DAVID MIRANDA, CHIEF OF INFORMATION AND ANALYSIS OF POLICE, HAD TOLD FRIENDS WHILE DRINKING THAT THE MINISTER OF INTERIOR, TOMAS BORGE, WAS INVOLVED IN COCAINE TRAFFICKING WITH THE COLOMBIAN MAFIA. THE TOP OF THIS DOCUMENT INDICATED THAT MIRANDA WAS BEING CHARGED WITH THE CRIMINAL OFFENSE OF HAVING REVEALED A STATE SECRET; THE BOTTOM OF THE DOCUMENT CONTAINED INSTRUCTIONS TO ME TO INVESTIGATE HOW DAVID MIRANDA HAD OBTAINED THE INFORMATION. THIS MADE IT CLEARLY EVIDENT TO ME THAT THE MINISTER WAS INVOLVED IN THIS ACTIVITY, BUT TO AVOID A MISUNDERSTANDING,

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I WENT TO CAPTAIN CHARLOTTE BALTODANO'S OFFICE, SHOWED HER THE DOCUMENT AND ASKED HER IF IT WAS TRUE THAT THE GOVERNMENT OF NICARAGUA WAS TRAFFICKING IN COCAINE. SHE TOOK THE DOCUMENT AND SMILED WHILE LOOKING CONCERNED. SHE TOLD ME TO WAIT A MINUTE; SHE PICKED UP THE PHONE AND CALLED MINISTER BORGE. SHE TOLD HIM THAT SHE THOUGHT IT HAD BEEN A MISTAKE TO GIVE ME THE INVESTIGATION ORDER WITHOUT PREVIOUSLY PROVIDING ME WITH AN EXPLANATION AND THAT I WAS NOW AWARE OF THE DEALINGS WITH THE COLOMBIANS.

TOMAS BORGE IMMEDIATELY GAVE INSTRUCTIONS FOR ME, AS A SANDINISTA MILITANT AND LEADER, TO BE GIVEN AN OFFICIAL EXPLANATION. FOR THIS PURPOSE HE SENT HIS ASSISTANT, CAPTAIN FRANCO MONTEALEGRE WHO, ALONG WITH CHARLOTTE BALTODANO, EXPLAINED TO ME THAT IT WAS TRUE THAT THE GOVERNMENT OF NICARAGUA WAS INVOLVED IN THE COCAINE TRAFFIC TO THE UNITED STATES, NOT FOR IMMORAL PURPOSES (WITHIN THE NICARAGUAN CONTEXT) BUT TO OBTAIN THE DOLLARS NEEDED TO FINANCE ESPIONAGE ACTIVITIES FOR THE FIFTH DIRECTORATE AND SOME OPERATIONAL EXPENSES OF THE INTERIOR MINISTRY'S SUPERIOR DIRECTORATE. I WAS ALSO INFORMED THAT THE ACTIVITY INVOLVED GIVING PROTECTION, LODGING, REFUELING AND ACCESS TO THE LANDING STRIP IN MONTELMAR OF COLOMBIAN TRAFFICKERS TRAVELING TO THE UNITED STATES. THEY ADDED THAT THIS PROTECTION WAS EXTREMELY PROFITABLE FOR THE GOVERNMENT OF NICARAGUA.

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